



Iowa

Retirement Investors' Club

Looking forward to retirement!



Getting Started

An introduction to deferred compensation



Introduction

There is a large array of voluntary retirement savings plans available to investors today.

As a public sector employee, you have the option to save through your employer's 457/401a plans.

401k

TSA

Roth IRA

IRA

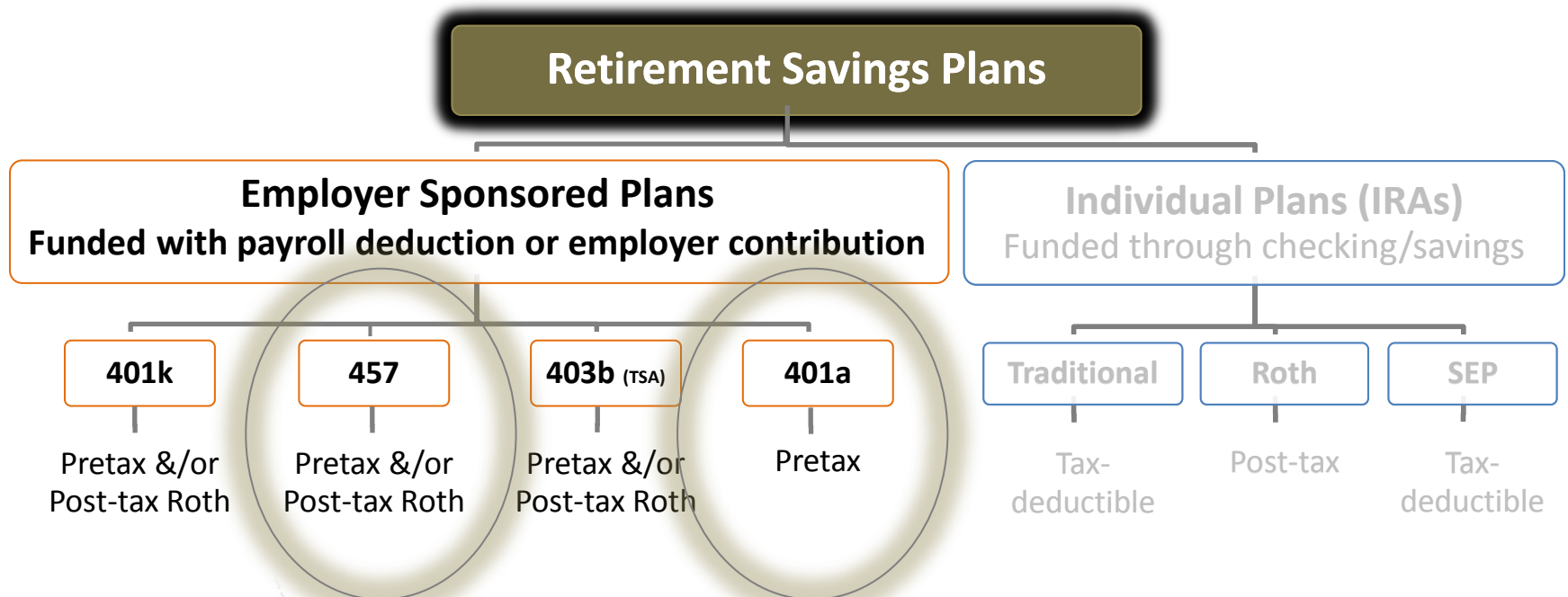
403B

401a

457

Introduction

The tax treatment of contributions, earnings, and distributions of all retirement savings plans are regulated by the IRS.



Participants in the RIC 457/401a retirement savings plans enjoy:

- Convenience of automatic savings through payroll deduction
- Tax advantages
 - Pre & post-tax deductions
 - Tax-deferred/free earnings
 - Tax credit (must qualify)
- Income at retirement
- Competitive investments to take you to and through retirement at little to no cost



Think about it...

Supplemental retirement savings plans are



One part of your future you CAN control!



Future uncertainties you CAN'T control:

- Social Security income replacement
- Pension income replacement
- Healthcare costs
- Inflation
- Taxes
- Health
- Employment
- Death





You CAN control *how you prepare* to handle these things.

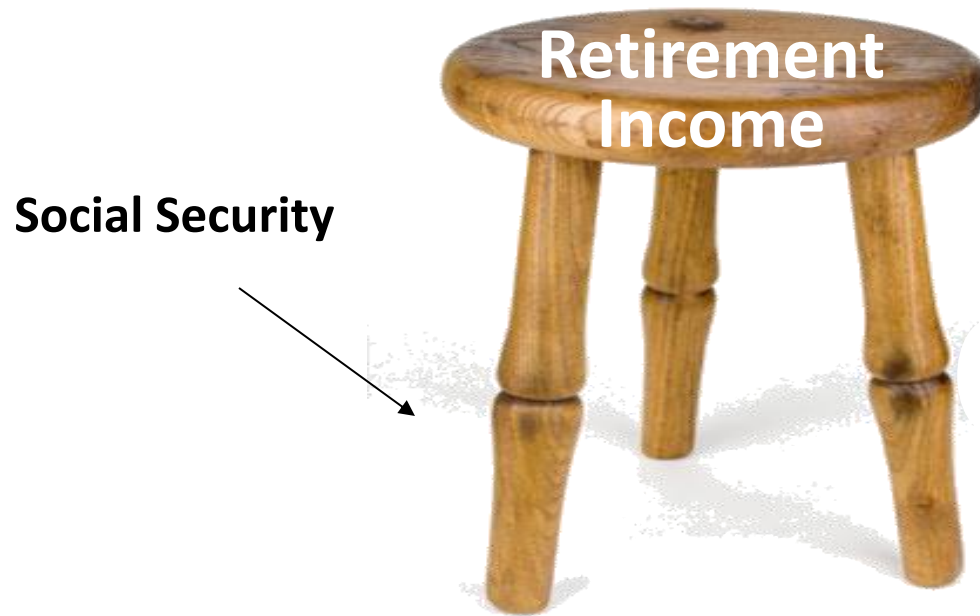
Supplemental retirement savings plans give you the opportunity to personally and positively affect your options at retirement.

Retirement income planning can seem overwhelming but *saving* for retirement doesn't have to be.

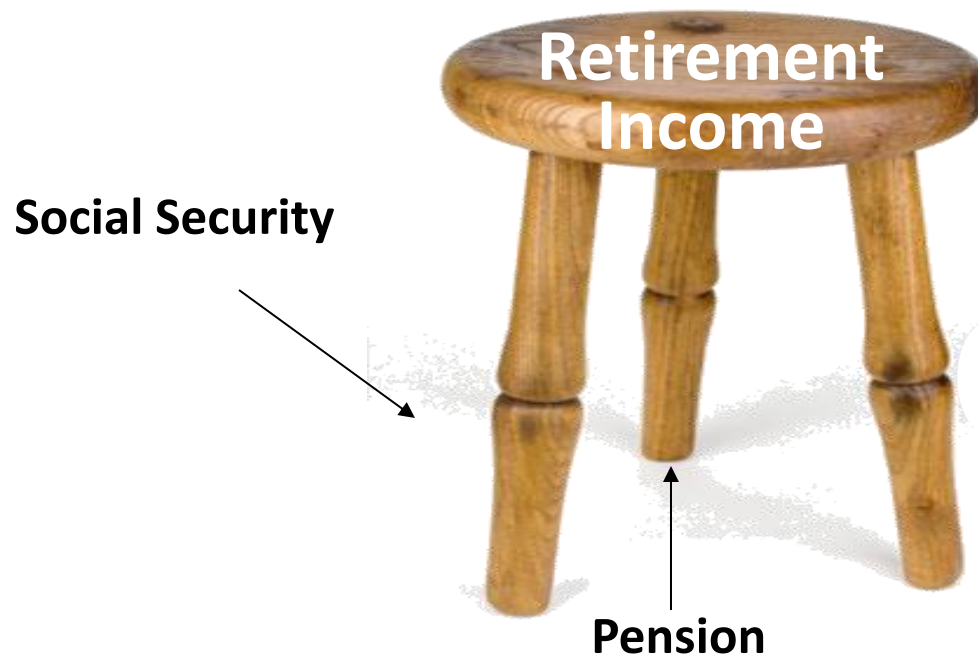
RIC is a critical part of your retirement income. There are 3 main sources of income in retirement.



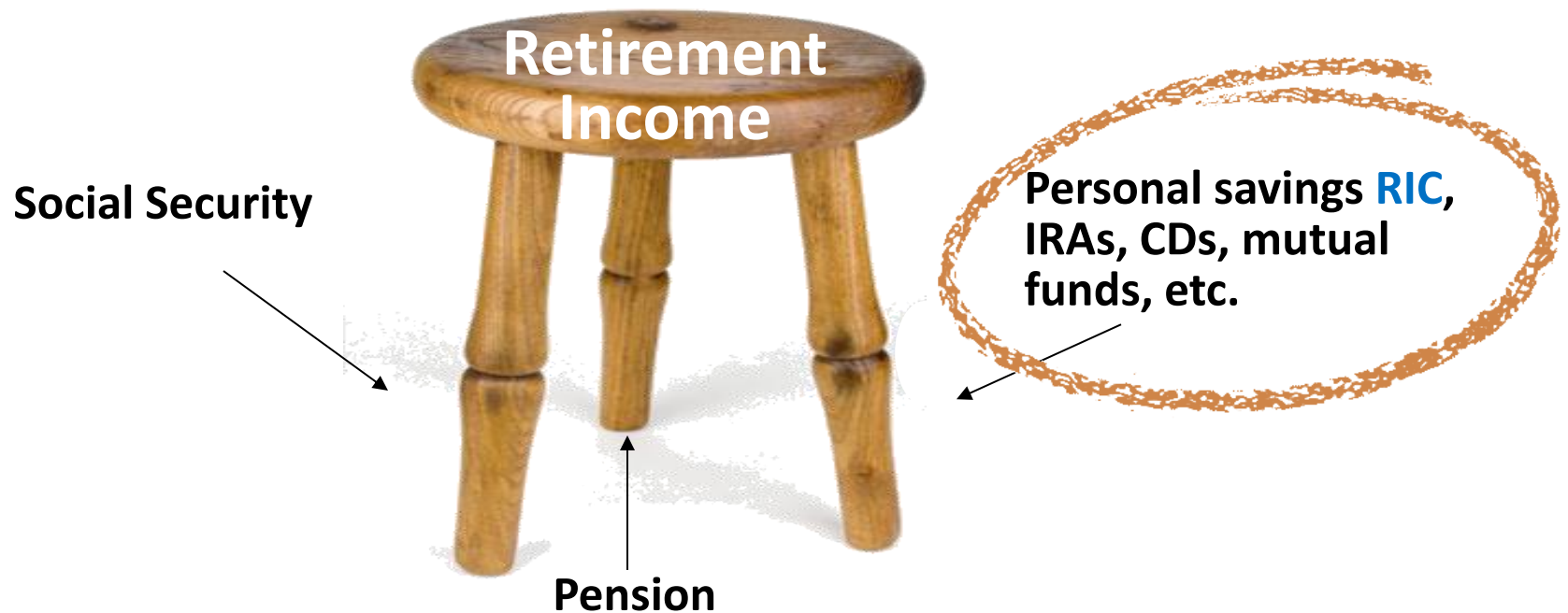
Full social security benefits may account for 40% of income replacement.



Pension benefits may account for 60% of income replacement.



Personal savings provides a safety net to make up for possible income short-falls.



Now that you see
the basic purpose
and function of
your retirement
savings plan, it's
time to take
control!



RIC participants enjoy control over

- Contributions/Roll-ins
- Investment mix
- Changes/Distributions
- Enrollment



Contributions



As a participant in the RIC 457/401a program, you choose to have a portion of your wages automatically **deducted from your paycheck** to save for future income needs.

The minimum amount to participate is \$25/month.

Contributions



Deductions are deposited into your selection of RIC investments in a 457 account.

Deductions may be taken from:

- All paychecks (26),
- 1st & 2nd paychecks (24),
- 1 paycheck/month (12)

Deductions may be changed or stopped at anytime.

Contributions (limits)



The total of all contributions made to the 457 account in a tax year must not exceed the IRS annual maximum limits.

3-Year Catch-Up Limit: Must have missed contributions and be within 4 years of normal retirement.

IRS Annual Maximum Contribution Limits		2015
Regular	100% of compensation up to:	\$18,000
Age 50+	The regular limit + \$6,000:	\$24,000
3-Year Catch-up	Up to twice the regular limit	\$36,000

Retirees may choose to defer unused sick leave and vacation pay from their final paycheck.

Contributions (types)

Tax advantages differ depending on the taxation of deductions.



You have the choice to have your payroll deductions taken on a pretax and/or post-tax Roth basis.

Contributions (pretax)

Tax advantages differ depending on the taxation of deductions.



Pretax 457 contributions are deducted *before* state/federal tax withholding. You receive the immediate tax benefit of lower taxable income for the year.

Pretax contributions grow *tax-deferred* until you take payment. (Your tax rate may be lower in retirement).

Example

Annual wages:	\$38,000
RIC <i>pretax</i> contributions:	\$3,000
Taxable income of:	\$35,000

457 contributions do not reduce Social Security & IPERS benefits.

Contributions (Roth)

Tax advantages differ depending on the taxation of deductions.



Post-tax Roth 457 contributions are deducted *after* state and federal income tax withholding. There is no immediate tax benefit.

Roth contributions grow *tax-deferred for qualified tax-free* distributions. (Your tax rate may be higher in retirement.)

Example

Annual wages:	\$38,000
RIC <i>post-tax</i> contributions:	\$3,000
Taxable income of:	\$38,000

Contributions (tax benefits)

Paycheck example - pretax vs. post-tax Roth deductions



	Saving pretax	Saving post-tax
Gross income	\$ 1,730	\$ 1,730
RIC contribution (pretax)	\$ -\$100	\$ 0
Taxable income	\$ 1,630	\$ 1,730
Federal tax*	\$ -245	\$ -260
State Income tax*	\$ -82	\$ -87
FICA	\$ -132	\$ -132
Income after taxes	\$ 1,171	\$ 1,251
RIC Roth contribution (after-tax)	\$ 0	\$ -100
Take-home pay	\$ 1,171	\$ 1,151

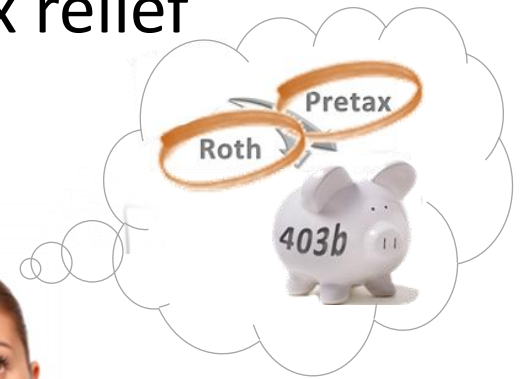
*Assumes tax rate of 15% federal & 5% state

Contributions (tax benefits)

Which option is right for me?

The answer is different for everyone. A number of factors may influence what is right for you such as:

- Age/years to retirement
- Current tax rate/need for current tax relief
- Projected tax rate at retirement
- Possibility of fewer tax deductions in retirement
- Projected earnings

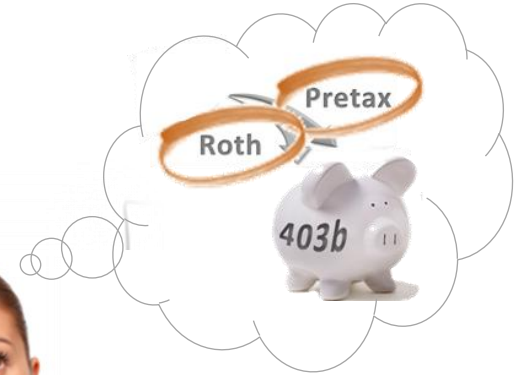


Contributions (tax benefits)

Which option is right for me?

Basically, you must answer the question of whether you want to pay taxes on your deductions now or later.

If you aren't sure which option is best suited to meet your savings goals, schedule a meeting with your financial advisor or tax professional.



Contributions (tax benefits)



Roth 457 vs. Roth IRA

How does the Roth 457 differ from a Roth IRA?

The Roth 457

- Funded by payroll deductions
- No income limit requirements
- Higher contribution limits
- Requires IRS required minimum distributions at age 70 ½ for terminated employees

Contributions (tax credit)

Savers Tax Credit

You may be saying **“I can’t afford to save!”**. Consider the benefit of the Savers Tax Credit designed to help low-to-middle income earners save for their retirement.



You may be qualified to receive up to a \$1,000 credit against taxes owed if your adjusted gross income does not exceed limits shown here.

	2015
Filing jointly	\$61,000
Filing single	\$30,500
Filing Head of household	\$45,750

Contributions (employer match)



The state matches 100% of the first \$75 you invest in your 457 account monthly. (SPOC=50% of first \$150)

Match contributions are deposited into your selection of RIC investments in your 401a account.

The match applies to pretax or post-tax contributions.

Roll-ins

A rollover is a nontaxable transfer of your money from one retirement account to another. Outside retirement plan assets may be rolled into RIC at any time.

457 assets from previous government employer plans may be rolled into your RIC 457.



Traditional IRA, 401k, 403b, etc. assets may be rolled into your RIC 401a account.

Consider RIC benefits of penalty-free competitive fixed rate accounts, no-load/low-cost mutual funds, expert advisors, etc. Assets rolled into RIC may be rolled out at anytime without restriction.

RIC participants enjoy control over

- Contributions/Roll-ins
- Investment mix
- Changes/Distributions
- Enrollment



Please note:

- Provider representatives are your best source of information about the investments being offered.
- The State of Iowa does not give investment advice.
- Examples used in this presentation are for illustrative purposes only.
- All investments involve some degree of risk; ask your providers what risk is associated with the investments in your portfolio.



Investments

RIC investments

RIC conducts a public competitive bid* on behalf of participants to determine which providers will offer investment products and services.

RIC providers must meet minimum standards:

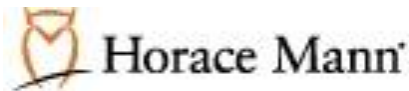
- Well-diversified, competitive fund line-up
- Restriction-free and penalty-free investments
- Flexible distribution options
- 24/7 internet and phone account access
- Investment planning tools
- And more
- Low costs



*Performed at least every 6 years

Investments

Successful bidders are referred to as RIC core providers. Each RIC core provider offers 25+ diversified investments. Investment advisors are available to help explain the options at no additional cost!



All funds must meet investment policy standards and undergo annual reviews.

 See *Providers & Investments* under State Employees on the [RIC Website](#).

Investments (fund types)

Providers offer fixed rate and variable rate funds.



Fixed rate accounts are composed of a variety of debt investments that earn an average rate (say 5.50%). Provider expenses are paid and you receive a declared portion of that rate (say 3%) for fixed period of time. Your principal amount does not fluctuate. Rates are guaranteed by the provider. There are no fees.



Variable rate “mutual” funds are professionally managed pools of investments. Values fluctuate with the performance of the investments held in the funds. Principal and earnings are not guaranteed. Fund management fees apply.

Investments (categories)

Providers offer investments in all these categories to help investors diversify to spread risk and maximize return-choose one or many.

Bond (Income)

- Fixed Rate
- Money Market
- Interm-Term High-Quality Core Bond
- High Yield Bond
- TIPS (Treasury Inflation-Protected Securities)
- Global Bond

Stock/Bond (Balanced)

- Traditional Balanced
- Lifecycle (target date)

Stock (Growth)

- Large Cap Stock Index
- Large Cap Value Stock
- Large Cap Growth Stock
- Mid-Cap Stock Index
- Mid-Cap Value Stock
- Mid-Cap Growth Stock
- Small Cap Stock Index
- Small Cap Value Stock
- Small Cap Growth Stock
- Total US Stock Mkt Index

International

- Intern'l Developed Mkts
- Intern'l Emerging Mkts
- World

Alternative

- Real Estate
- Socially Responsible
- Self-Directed Brokerage Accounts (SDBA)

❗ See *Providers & Investments* under State Employees on the [RIC Website](#).

Investments (managers)

Variable rate investments are professionally managed by top-performing investment managers such as:



Vanguard®



PIONEER
Investments®

NEUBERGER | BERMAN



American Century
Investments®



American Funds®

ING 

PIMCO

LORD ABBETT® 

DODGE & COX®



JANUS



Ameritrade

Total fees for variable rate funds range from .05% - 1.50%. Fixed rate accounts have no fees.

 See *Providers & Investments* under State Employees on the [RIC Website](#).


All funds are listed by risk category on the *RIC At-A-Glance* available on the [RIC website](#).

RIC At-A-Glance
available on
the [RIC website](#).

Investment Options		Horace Mann 877-602-1861	MassMutual 800-528-9009	TIAA-CREF 888-877-1446	VALIC 800-945-6763	Voya (formerly ING) 800-555-1970
		www.horacemann.com/iowa	https://retirement2.massmutual.com/iowa401-457/index.html	www1.tiaa-cref.org/tcm/iowa/	www.valic.com/iowa	www.voyareirementplans.com/custom/iowa
Goal	Type	Symetra Daily Value Fixed Acct	Hartford General Account	TIAA Traditional Ret Annuity	Fixed Interest Option	ING Fixed Account
Safety	Fid Rate Money Mkt	Delaware Cash Reserve OCBX		CREF Money Market VA	Am Cent Cap Preserv MMkt CFFX	Voya Money Market ATXX
	Inter-Term HI- Qual-Core Bond	T Rowe Price New Income FARKX Loomis Sayles Core Bd Plus NFRX	Hartford Tot Ret Bond HLS HIAKX PIMCO Tot Return Admin PTRAX Goldman Sachs Gov Inc SSSGX	CREF Bond Market VA	PIMCO Total Return PTRAX	VY PIMCO Total Return PTRAX Voya US Bond Index Portfolio IBAKX
	High Yield	Franklin High Income FARKX	Goldman Sachs High Yield GSAXX	TIAA-CREF High Yield THRX	Franklin High Income FARKX	Am Fds High Income Trust RTKX
	Treas ordn(typr)	Am Cent Infra-Adjusted Bond AIAVX	PIMCO Real Return Admin PARRX	CREF Inflation-Linked Bond VA	Amer Cent Infra-Adjusted Bd ACIX	Am Cent Infra-Adjusted Bd ACIX Voya Ltd Maturity Bond Portfolio IBAKX
	Optional	Victory Fund for Income CSPI Dreyfus Bond Mkt Index DAKX Am Fds Capital World Bond ROKIX	Vanguard Tot Bd Mkt Index BVKX	Templeton Global Bond TRKX		Voya GNMA Income LKIX Templeton Global Bond TRKX
	Traditional	Janus Balanced JABKX	Oakmark Equity & Income OAKKX	Amer Fds Amer Balanced FLBKX	Amer Fds Amer Balanced FLBKX	Amer Fds Amer Balanced JABKX VY T Rowe Price Cap Apprec PTRAX
	Lifecycle	T Rowe Price Ret (2005, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, IN) FARK, FARKG, FARKH, FARKI, FARKJ, FARKK, FARKL, FARKM, FARKN, FARKO, FARKP, FARKQ, FARKR, FARKS, FARKT, FARKU, FARKV, FARKW, FARKX, FARKY, FARKZ	BlackRock LifePath (2020, 30, 40, 50, Ret) STOK, STOL, STUJ, STUK, STUL, STUM, STUN, STUX, STVJ, STVK, STVL, STVM, STVN, STVU, STVX, STVY, STVZ	TIAA-CREF Lifecycle (2010, 15, 20, 25, 30, 35, 40, 45, 50, 55, Ret Inc) TARK, TARKI, TARKJ, TARKK, TARKL, TARKM, TARKN, TARKO, TARKP, TARKQ, TARKR, TARKS, TARKT, TARKU, TARKV, TARKW, TARKX, TARKY, TARKZ	Amer Cent OneChoice (2015, 25, 35, 45, In Ret 50%) ARPK, ARPKI, ARPKJ, ARPKK, ARPKL, ARPKM, ARPKN, ARPKO, ARPKP, ARPKQ, ARPKR, ARPKS, ARPKT, ARPKU, ARPKV, ARPKW, ARPKX, ARPKY, ARPKZ	Voya Index Solution (Inc, 2015, 25, 35, 45, 55) BSKL, BSAR, BSGL, BSGLI, BSGLJ, BSGLK, BSGLM, BSGLN, BSGLO, BSGLP, BSGLQ, BSGLR, BSGLS, BSGLT, BSGLU, BSGLV, BSGLW, BSGLX, BSGLY, BSGLZ
	Global			Amer Fds Capital Income Bldr BKIKX		Janus Balanced JABKX Calvert Balanced CSBKX
	LC Index	Nuveen Equity Index FARKX	Vanguard 500 Index VPIX	TIAA-CREF S&P 500 Index TRPIX	SS&A S&P 500 Index SVPIX	Voya Russell LC Index IRLKX
	LC Value	Am Fds American Mutual AMKX	Eaton Vance LCV LKIX Hartford Div & Gro HLS HIAKX	Eaton Vance LCV BKIX	BlackRock Eq Dividend MDKIX	Pioneer Equity Income PEKIX
	LC Blend			CREF Stock VA		Amer Fds Fundam Investors BKIKX
	LC Growth	MFS Mass Investors Growth MSHKX	American Century Growth TWKX Hartford Cap Apprec HLS HIAKX	T Rowe Price Institutl LCG TRKX	MFS Mass Investors Growth MSHKX	American Century Growth TWKX
	Mid-Cap Stocks	Nuveen MC Index PMKX Victory Established Value GETKX	Vanguard MC Index VMKX Artisan MCV ARTKX RS Value RSKX	Columbia MC Index NAKKX TIAA-CREF MCV TRKX	Dreyfus MC Index PRPKX Ridgeworth MCV SMVIX	Voya Russell MC Index BKIKX Columbia MCO Opportunities RMKIX ASTON/Fairpointe MC OTTKX
	Mid-Cap Bond	ING Mid Cap Opportunities NMKX	Victory Munder MC Core Growth MDKIX	Jennison MCG PRKX	Alliance Bernstein Discovery Gro CHKX	VY FMR Divers MC Portfolio PMKX
	Sm-Cap Stocks	Nuveen SC Index NAKKX Royce Special Equity RSKX	Vanguard SC Index VSKX American Century SCV ASKIX	TIAA-CREF SC Blend Index TRKX Columbia SCV CSKX	Dreyfus SC Stock Index DSKX Invesco Vankampen SCV VSKX	Voya Russell SC Index BKIKX VY Am Cent S-MCV Portfolio LSKX Victory Integrity SCV VSKIX Invesco SCG OTTKX
	Sm-Cap Bond	JP Morgan SCG PRKX	Baron SC RSKIX	Jennison SC PRKIX	Legg Mason Partners SCG SAKIX	Vanguard Total Stock Index VTKIX
	TOT US Stk Index	Wilshire 5000 Index Portf WPKIX	Vanguard Total Stock Index VTKIX	CREF Equity Index VA	T Rowe Price Tot Eq Mkt Index PMKX	Amer Fds Cap World Gro & Inc BKIKX
	World	Am Fds Cap World Gro & Inc BKIKX	Am Fds Cap World Gro & Inc BKIKX	MFS Global Equity MVBKX	Am Fds Cap World Gro & Inc BKIKX	Am Fds Cap World Gro & Inc BKIKX
	Developed Markets	Amer Fds EuroPacific Gro AKKX BlackRock Intl Index MDKX	Dreyfus Intl Stock Index DSKX Amer Fds EuroPacific Gro AKKX Oppenheimer Intl Growth ODAKX MFS Intl Value MINKX	TIAA-CREF Intl Equity Index TRKX Thornburg Intl Value TVKX	Dreyfus Intl Stock Index DSKX Amer Fds EuroPacific Gro AKKX	Voya International Index INTKX Amer Fds EuroPacific Gro AKKX Dodge & Cox Intl Stock DOKKX
	Emerg Mkts	American Fds New World ANKIX	Oppen Developing Mkts ODVIX	Lazard Emerg Mkts Equity LDKX		Lazard Emerg Mkts Equity LDKX
	Sector	Nuveen RE Securities PRKX	Invesco Real Estate LARKX Neuberman Soc Responses NBKIX	TIAA Real Estate VA Social Choice Equity TRKX	Invesco Real Estate INTKX Neuberman Soc Respons NBKIX	VY Clarion RE Portfolio VKKX Neuberman Soc Respons NBKIX
	SOBA	None	Schwab PCRA - \$50/yr	Brig Svcs Pension SDA - \$40/yr	Schwab PCRA - \$50/yr	TD Ameritrade - \$50/yr
	Total fee range*	.40%-1.39%	.05%-1.42%	.21% - 1.40%	.22% - 1.33%	.14% - 1.60%







Investments (online resources)

Access to provider websites, quarterly fund performance, advisor listings, fixed rates, etc. are easily accessed from the [RIC website](#).



Each RIC core provider offers diversified investments, online account access, access to investment experts, and retirement planning tools. RIC providers have knowledgeable investment advisors to help you (at no additional cost) evaluate the investment options and determine an investment mix best suited for your savings goals and tolerance for risk.

There are no annual contract fees, M&E fees, or penalties for asset transfers between providers or investments.

Provider	Phone number	Website	Returns	Advisors	News
 Horace Mann	877-602-1861				
 MassMutual FINANCIAL GROUP	800-528-9009				
 TIAA CREF	888-877-1446				
 VALIC	800-945-6763 / 515-267-1099				
 VOYA	800-555-1970 / 515-698-7973				

Iowa Retirement Investors' Club (RIC)
look forward to retirement
Pre-Enroll Now!
State of Iowa Employees

Additional Information
[RIC At-A-Glance](#)
[Provider Interview](#)
[Fund Fees](#)
[Info for advisors only](#)
[Fixed rate accounts](#)
[Variable rate funds](#)
[Brokerage Accounts](#)

Investments

How do I invest?

Everyone is different. Your investment mix and potential for earnings largely depends on your:

- Risk tolerance
- Retirement goals
- Timeframe for investment

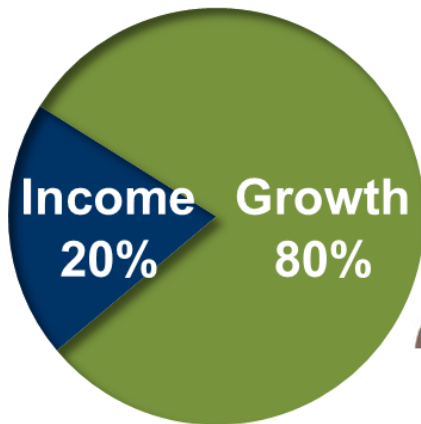
Provider representatives can help you determine what type of investor you are.



Investments (asset allocation)

How do I invest?

Your risk tolerance and savings goals will likely change over time and so can your investment mix. Ask an investment advisor to help you.



Growth portfolio



Income portfolio

Investments (investor styles)

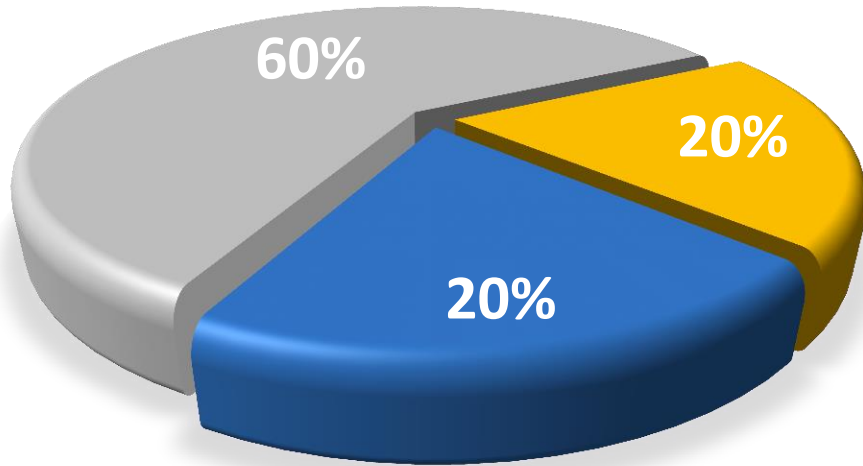
- Concerned with preserving original value
- Unable to tolerate more than minimum risk
- May have a short time until retirement
- No ability to weather short-term market setbacks

Conservative investor



Investments (investor styles)

Portfolio example



- Fixed Rate
- Fixed Income (short-term)
- Balanced Funds

Conservative investor



Investments (investor styles)

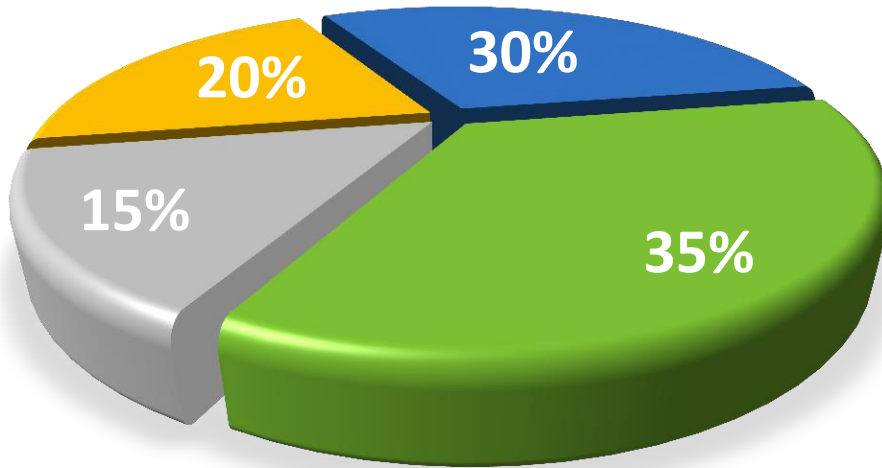
- Concerned with steady investment growth
- Able to tolerate moderate amount of risk
- Retirement time horizon of 10-15 years
- Some ability to weather short-term market setbacks

Moderate investor



Investments (investor styles)

Portfolio example



- Fixed Rate
- Fixed Income (intermediate-term)
- Balanced Funds
- Large Co Stock Funds

Moderate investor



Investments (investor styles)

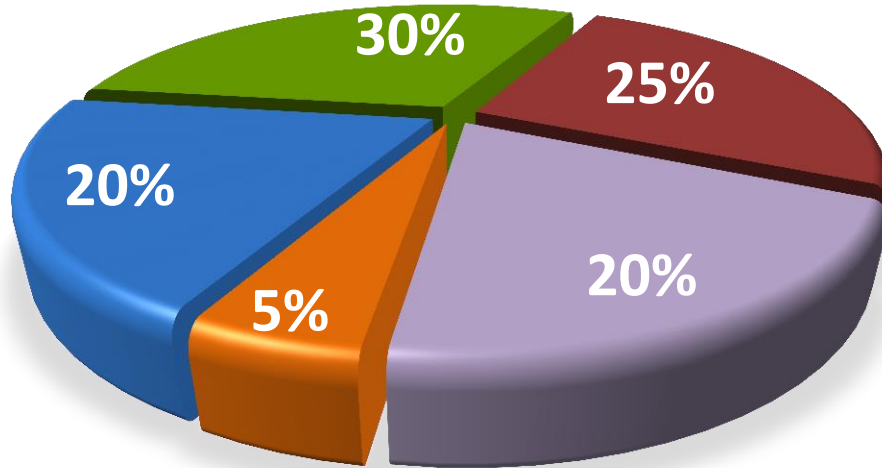
- Concerned with maximum growth
- Able to tolerate a substantial amount of risk
- May have longer retirement time horizon
- Ability to weather short-term market setbacks

Aggressive investor



Investments (investor styles)

Portfolio example



- Balanced Funds
- Stock Blend Funds
- Mid-Small Company Stock Funds
- International Funds
- Sector Funds

Aggressive investor



Investments (risk)

Be aware of the risks associated with all investments. Ask your provider to explain them.

Mid-small co stock funds,
international and sector funds

Lg co stock, growth & income funds

Corp bond, income, balanced funds

US gov't bond and money market
funds, fixed rate accounts



US treasury bonds, CD's or money markets at an  insured bank, savings bonds, savings, checking are not available in RIC

Investments

Visit with an investment advisor to determine your investment mix. Be sure to consider all investments.

Money market at bank
Credit Union savings account
CD at bank
Savings bonds/safety deposit box
Annuity with insurance company
RIC account
IRAs
Spouse's 401(k)
Stocks in a brokerage account
Mutual funds at investment firm



RIC participants enjoy control over

- Contributions/Roll-ins
- Investment mix
- Changes/Distributions
- Enrollment



Changes

Your RIC 457/401a plans are very *flexible*!

You may make changes to your:

- Payroll deduction amount



Changes (payroll deductions)

Payroll deduction
change requests are
made by completing
the *RIC Account Form*.
Submit it to your
personnel assistant or
the RIC office.

The form may be
submitted electronically,
by email, fax, or US mail.

See Forms & Documents
under State Employees
on the [RIC Website](#).

 Retirement Investors' Club (RIC) 457/401a Plans <i>Look forward to retirement!</i>		RIC Account Form																																									
Personal Information	Name _____ Social Security # _____ <small>Last First MI Existing accounts use last 4 digits only</small>																																										
	Birth Date _____ Agency/Dept _____ Employee ID # _____ <small>Required for electronic submission only</small>																																										
	Address _____ City _____ State _____ Zip _____																																										
	Phone (work) _____ Phone (home) _____ Phone (mobile) _____																																										
457 Payroll Deduction <small>Changes affect the 1st available check of the month following receipt of this form unless a later date is otherwise indicated.</small>	Designate the deduction amount to send to your provider. The combined amount of all 457 pretax and Roth contributions in a tax year is limited to the IRS annually declared maximum contribution limits (see http://ric.iowa.gov/basics/contributions.html).																																										
	<table border="1"><thead><tr><th></th><th>Pretax</th><th>Roth (post-tax)</th></tr></thead><tbody><tr><td>Horace Mann</td><td>\$ _____ /Check</td><td>\$ _____ /Check</td></tr><tr><td>MassMutual</td><td>\$ _____ /Check</td><td>\$ _____ /Check</td></tr><tr><td>TIAA-CREF</td><td>\$ _____ /Check</td><td>\$ _____ /Check</td></tr><tr><td>VALIC</td><td>\$ _____ /Check</td><td>\$ _____ /Check</td></tr><tr><td>Voya*</td><td>\$ _____ /Check</td><td>\$ _____ /Check</td></tr><tr><td>Inactive Prov Exception</td><td>\$ _____ /Check</td><td></td></tr></tbody></table>		Pretax	Roth (post-tax)	Horace Mann	\$ _____ /Check	\$ _____ /Check	MassMutual	\$ _____ /Check	\$ _____ /Check	TIAA-CREF	\$ _____ /Check	\$ _____ /Check	VALIC	\$ _____ /Check	\$ _____ /Check	Voya*	\$ _____ /Check	\$ _____ /Check	Inactive Prov Exception	\$ _____ /Check		Deduction frequency <input type="checkbox"/> 12 checks/yr - <input type="checkbox"/> 1 st or <input type="checkbox"/> 2 nd check <input type="checkbox"/> 24 checks/yr <input type="checkbox"/> 26 checks/yr (all checks) Alternative effective date (if desired) <input type="checkbox"/> Begin as of _____ (check date) <input type="checkbox"/> 1 check only _____ (check date) <input type="checkbox"/> Final check _____ (check date)																				
	Pretax	Roth (post-tax)																																									
Horace Mann	\$ _____ /Check	\$ _____ /Check																																									
MassMutual	\$ _____ /Check	\$ _____ /Check																																									
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Inactive Prov Exception	\$ _____ /Check																																										
Provider Changes <small>You must have established an account with the receiving provider to complete a transfer.</small>	<table border="1"><thead><tr><th>Please transfer:</th><th>From:</th><th>To:</th><th>Stop contributions to:</th><th>Redirect contributions to:</th></tr></thead><tbody><tr><td><input type="checkbox"/> 100%</td><td><input type="checkbox"/> Horace Mann</td><td><input type="checkbox"/> Horace Mann</td><td><input type="checkbox"/> Horace Mann</td><td><input type="checkbox"/> Horace Mann</td></tr><tr><td><input type="checkbox"/> \$ _____</td><td><input type="checkbox"/> MassMutual</td><td><input type="checkbox"/> MassMutual</td><td><input type="checkbox"/> MassMutual</td><td><input type="checkbox"/> MassMutual</td></tr><tr><td></td><td><input type="checkbox"/> TIAA-CREF</td><td><input type="checkbox"/> TIAA-CREF</td><td><input type="checkbox"/> TIAA-CREF</td><td><input type="checkbox"/> TIAA-CREF</td></tr><tr><td></td><td><input type="checkbox"/> VALIC</td><td><input type="checkbox"/> VALIC</td><td><input type="checkbox"/> VALIC</td><td><input type="checkbox"/> VALIC</td></tr><tr><td></td><td><input type="checkbox"/> Voya*</td><td><input type="checkbox"/> Voya*</td><td><input type="checkbox"/> Voya*</td><td><input type="checkbox"/> Voya*</td></tr><tr><td></td><td><input type="checkbox"/> Security Benefit</td><td></td><td></td><td></td></tr><tr><td></td><td><input type="checkbox"/> _____</td><td></td><td></td><td></td></tr></tbody></table>			Please transfer:	From:	To:	Stop contributions to:	Redirect contributions to:	<input type="checkbox"/> 100%	<input type="checkbox"/> Horace Mann	<input type="checkbox"/> Horace Mann	<input type="checkbox"/> Horace Mann	<input type="checkbox"/> Horace Mann	<input type="checkbox"/> \$ _____	<input type="checkbox"/> MassMutual	<input type="checkbox"/> MassMutual	<input type="checkbox"/> MassMutual	<input type="checkbox"/> MassMutual		<input type="checkbox"/> TIAA-CREF	<input type="checkbox"/> TIAA-CREF	<input type="checkbox"/> TIAA-CREF	<input type="checkbox"/> TIAA-CREF		<input type="checkbox"/> VALIC	<input type="checkbox"/> VALIC	<input type="checkbox"/> VALIC	<input type="checkbox"/> VALIC		<input type="checkbox"/> Voya*	<input type="checkbox"/> Voya*	<input type="checkbox"/> Voya*	<input type="checkbox"/> Voya*		<input type="checkbox"/> Security Benefit					<input type="checkbox"/> _____			
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Participant Signature	I understand and agree to the terms and conditions of the Retirement Investors' Club (RIC). I have access to a Plan Summary and an Investment Provider Summary. I understand that withdrawals may only be made upon termination of state employment, unless I apply and am approved for an unforeseeable emergency withdrawal, a qualified cashout payment, or eligible service credit purchase. X _____ <small>Participant Signature Date</small>																																										
Electronic submission FOR EXISTING ACCOUNTS ONLY. Include your name, the last four digits of your SS#, and employee ID# (signature not required). If you do not know your employee ID#, contact your personnel assistant or RIC. You may submit 2 ways. <small>Click on the Submit button</small>		Fax to: 1-815-281-5110 Email to: TIAA-CREF																																									

Changes

Your RIC 457/401a plans are very *flexible*!



You may make changes to your:

- Payroll deduction amount
- Investment mix
- Direction of future contributions
- Address/name/beneficiary
- Investment advisor
- Provider
- Distributions options at retirement

**Contact RIC
or your PA**

**Contact your
provider**

Distributions

A distribution refers to the withdrawal of assets from your employer-sponsored 457/401a plans.

Distributions can be taxable or non-taxable (rollover).

A “distributable event” must occur to be eligible.

Distribution options and rules differ depending on the distributable event.



Distributions

Distributable events

- Unforeseeable emergency
- Cash out (small accounts)
- Service credit purchase
- Separation from employment



Distributions

Unforeseeable Emergency Withdrawal

If you experience an unforeseeable emergency that causes financial hardship, you may qualify to receive an approved amount of 457 assets.

- Must meet strict federal guidelines
- Not available from employer contributions
- Contributions stop for 6 months

You are not eligible to receive a payout for warding off bankruptcy, divorce, or overdue bills.



Distributions

Unforeseeable Emergency Withdrawal

Possible conditions that may qualify:

- Funeral expenses (legal dependent)
- Foreclosure of or eviction from residence
- Uninsured damage to primary residence
- Loss of spouse's wages
- Uninsured medical expenses & related lost wages

If you are approved, the distribution is taxable as ordinary income.



Distributions

Cash Out

You may qualify for a cash out distribution from your 457 account. Funds will be paid if you meet ALL of the following:

- You have not made 457 contributions for at least two years (24 months);
- Your total 457 value is \$5,000 or less;
- You have not previously received money from the account (exception- unforeseeable emergency).



Distributions

Service Credit Purchase

- If you have verified with IPERS that you are able to purchase service credits, you may use **pretax 457 account assets** (as well as IRA, 401(k), 403b) for the purchase.
- This is called a plan-to-plan transfer and is nontaxable.
- Contact IPERS to verify eligibility and cost.



Roth 457 assets are not available for service credit purchases.

Distributions

At separation from employment

You do not have to take your money out until you want it (unless age 70½* or older). Your assets remain invested and changes to your fund and provider selection may be made as needed.

You choose how much and when you want to take your money.

There are no vesting requirements, no product surrender fees, or restrictions.

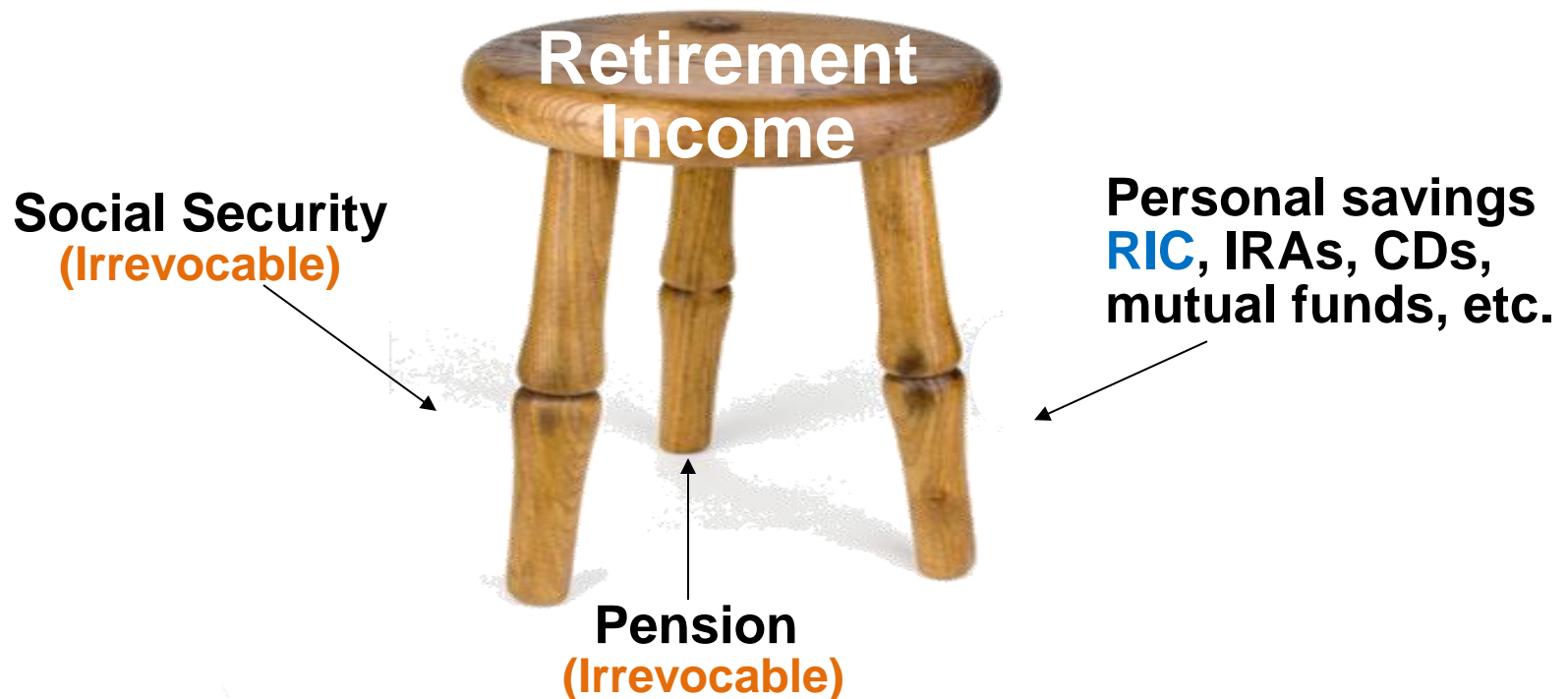
* IRS Required Minimum Distributions (RMD) must begin by the later of age 70½ or retirement (IRS 50% penalty on amount not taken on time).



Distributions

In retirement

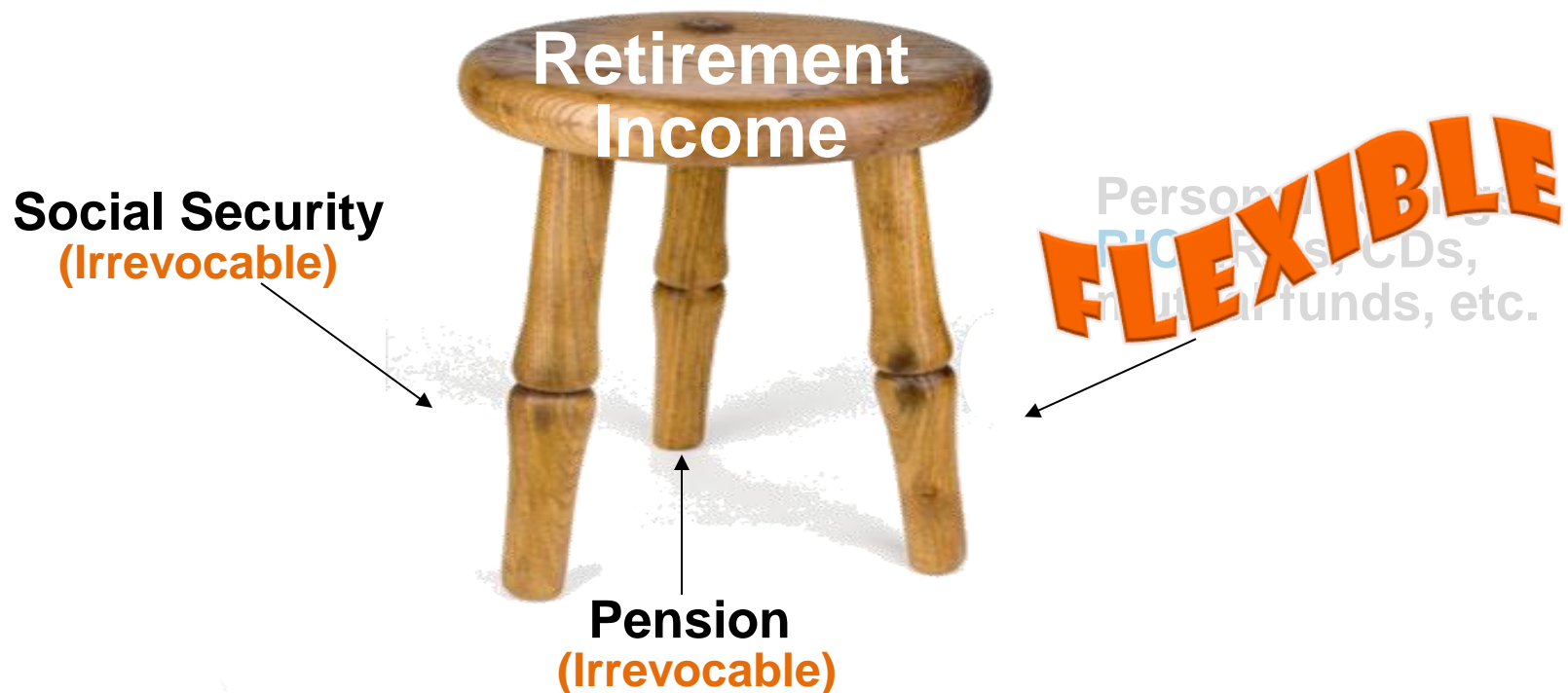
Social security and pension benefits are irrevocable.



Distributions

In retirement

Personal savings income options provide flexibility.



Distributions

You have choices

- Leave assets invested*
- Purchase IPERS credits (pretax 457 & 401a assets)
- Take taxable distributions
 - Lump sums (total or partial)
 - Flexible periodic payments
 - Lifetime payments
 - Any combination
- Roll to an IRA or employer plan

*IRS minimum distributions must begin at age 70 ½ or retirement, whichever is later.

Distributions (taxes)

Taxable distributions are taxed as ordinary income and reported on IRS 1099R.



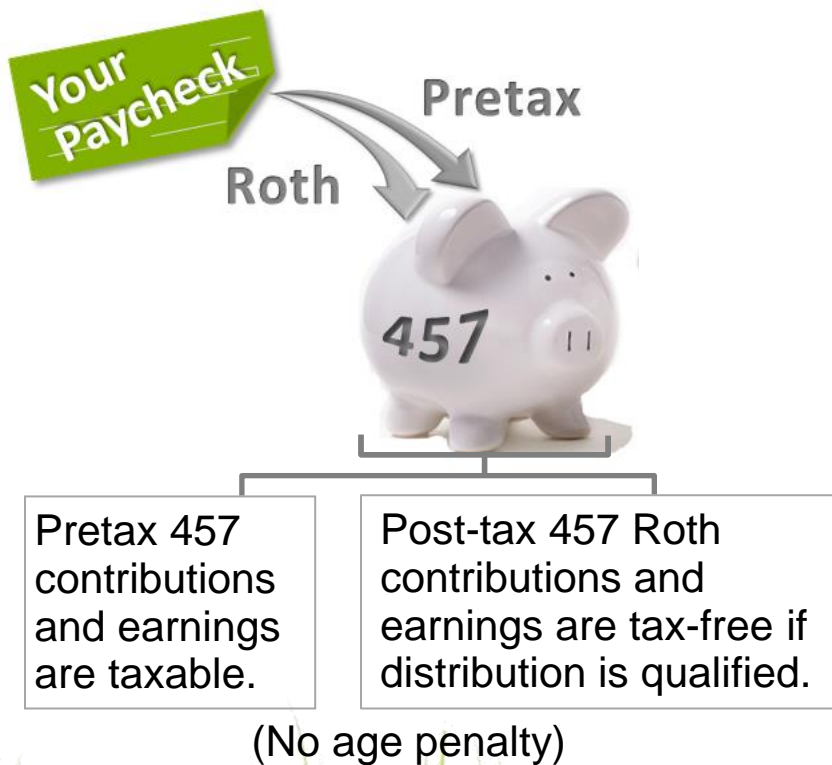
An automatic 20% federal and 5% state income tax is withheld unless:

- You are age 70 ½+
- You choose a lifetime annuity
- You choose a series of payments for 10+ years
- You live outside of Iowa (state tax exception)



Distributions (taxes)

Tax treatment of distributions differs depending on the taxation of contributions.



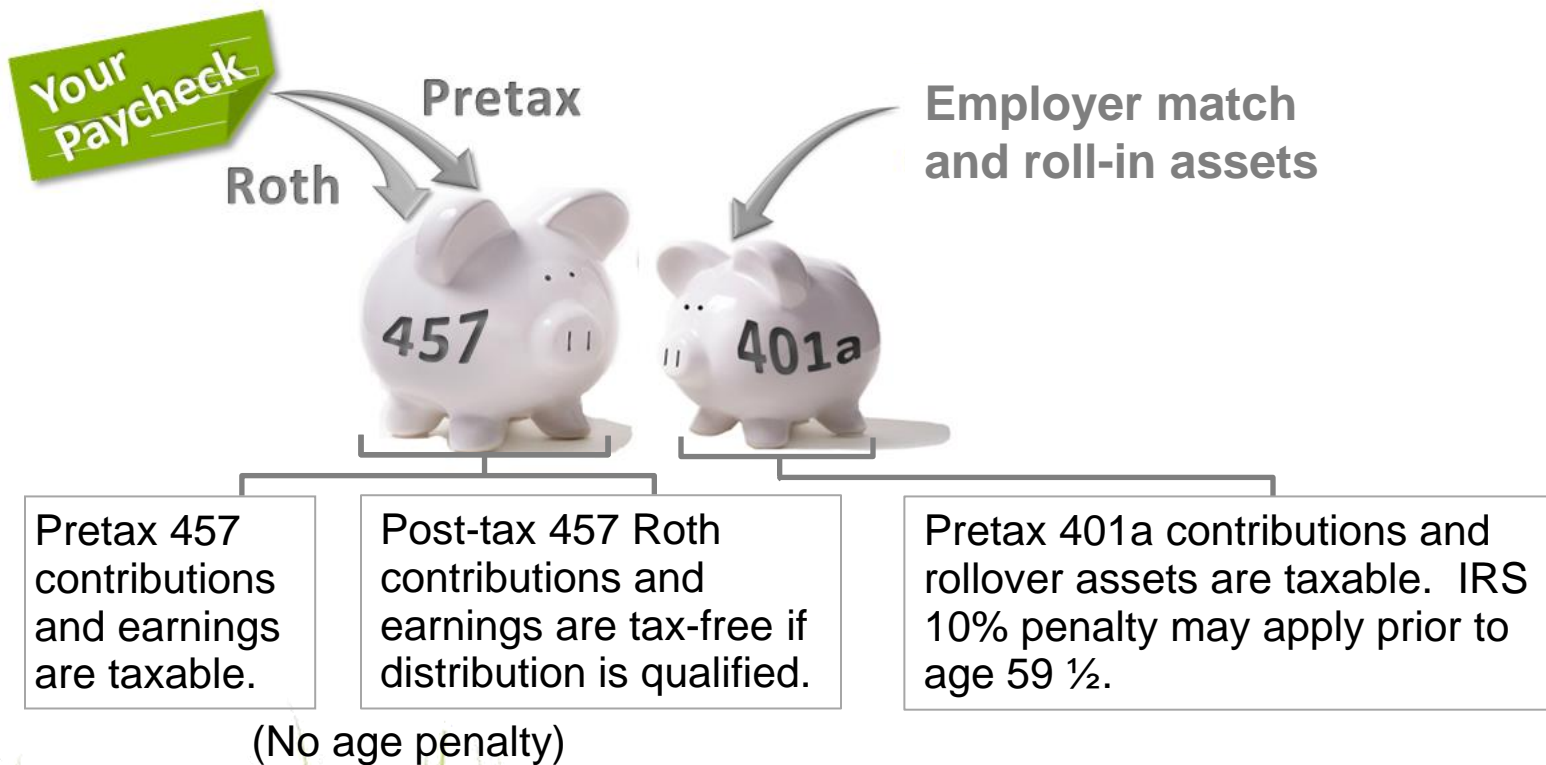
Qualified distribution:

- A distributable event has occurred (leave employment, turn age 70½, qualify for cash out);
- Roth account has been open for 5+ years; and
- You are age 59 ½⁺ or disabled

Non-qualified Roth distributions are subject to taxation on the earnings portion of the distributed amount.

Distributions (taxes)

Tax treatment of distributions differs depending on the taxation of contributions.



RIC participants enjoy control over

ons/Roll-ins

Take charge of your future

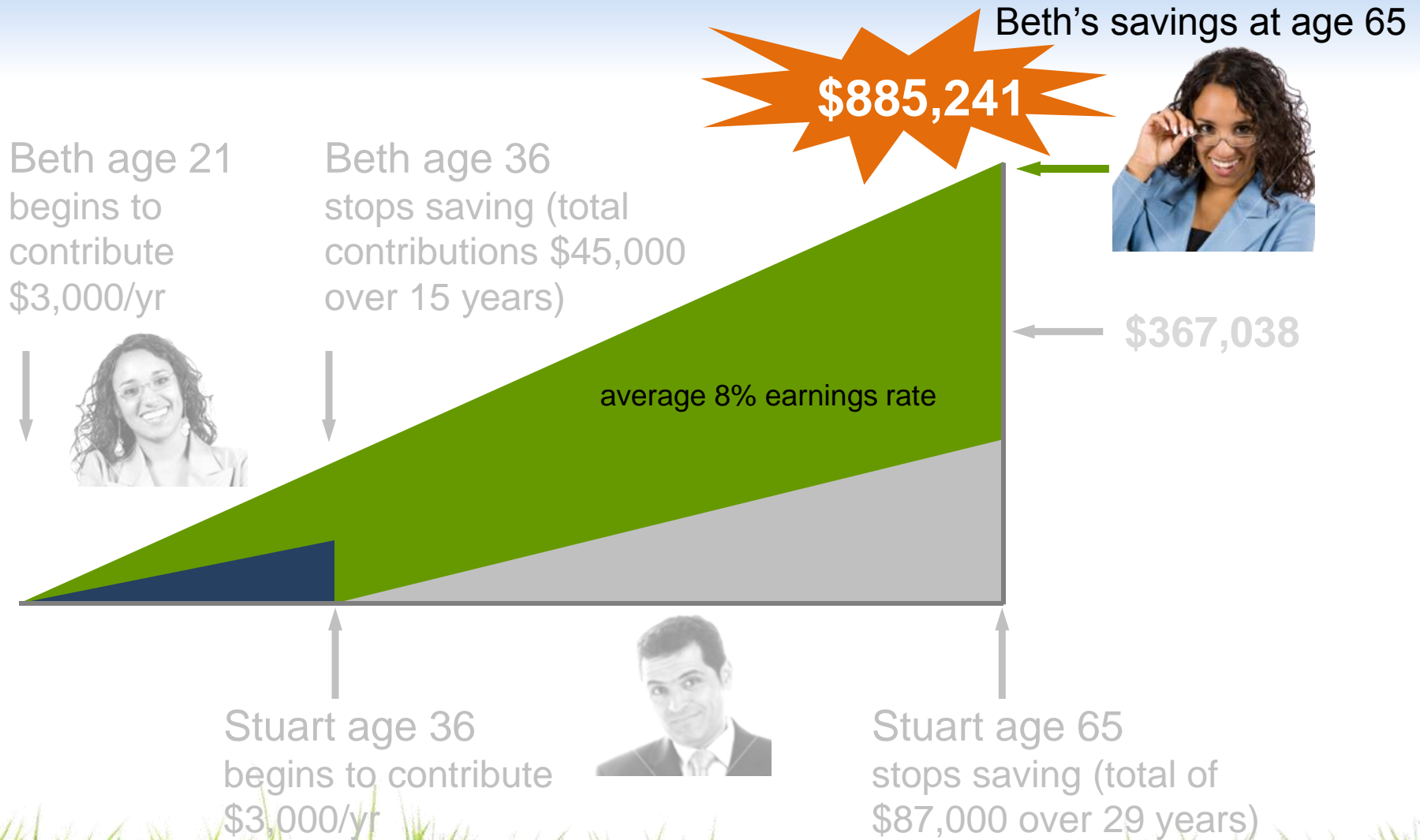
t mix

distributions

TIME IS MONEY



Time is money



Enrollment

The best time to enroll is NOW!

Enrollment is year-round.

Options for enrolling include meeting with an investment advisor* (no cost), requesting a kit by mail, or using a provider's online resources (if available). The provider has everything you need!



*Most independent advisors can represent one or more RIC provider.

Enrollment

Choose a provider



Enrollment

Choosing a provider- RIC At-A-Glance



ABC Program basics
The Iowa Retirement Investors' Club (RIC) is a sponsored supplemental retirement savings benefit that allows a portion of current wages for future income needs. RIC is funded by employee contributions and a 401a plan to hold employer contributions and a 401a plan to hold employer contributions and a 401a plan to hold employer contributions.

RIC Participants enjoy:

- An easy way to save through automatic payroll deduction
- Tax advantages such as options for pretax and post-tax contributions, and a Savers Tax Credit
- Diversified, low to no-cost investment options
- An employer match benefit of up to 4% (maximum \$5,000 per year)
- A list of local advisors for each participant
- A list of local advisors for each participant

Providers & Investments

RIC participants have access to investments through a variety of providers. RIC participants have access to investments through a variety of providers. RIC participants have access to investments through a variety of providers.

RIC offers over 125 diversified funds* ranging from conservative to aggressive. RIC offers over 125 diversified funds* ranging from conservative to aggressive. RIC offers over 125 diversified funds* ranging from conservative to aggressive.

24/7 You may review your accounts online, by phone, or with an advisor.

* RIC does not give investment advice. Investments are made through a variety of providers.

Investment Options

		Horace Mann 877-602-1861	MassMutual 800-528-9009	TIAA-CREF 888-877-1111	VALIC 800-945-6763	Voya (formerly ING) 800-555-1970
		www.horacemann.com/iowa	https://retirement2.massmutual.com/iowa401a/index	www.tiaa-cref.com/tcm/iowa/	www.valic.com/iowa	www.voyaretirementplans.com/custom/iowa
Goal	Type	Symetra Daily Value Fixed Acct	T Rowe Price New Horizons Bond HLS	TIAA Traditional Ret Annuity	Fixed Interest Option	ING Fixed Account
Safety	Fixed Rate	Delaware Cash Reserve	Loomis Sayles Core Bd	CREF Money Market	Am Cent Cap Preserv MMkt	Voya Money Market
Income	Inter-Term Hi-Qual-Core Bond	T Rowe Price New Horizons Bond HLS	Goldman Sachs Gov Inc	CREF Bond Market	PIMCO Total Return	VY PIMCO Total Return
	High Yield	Goldman Sachs High Yield	TIAA-CREF High Yield	Franklin High Income	Am Fds High Income Trust	Voya US Bond Index Portfolio
Treas	Am Cent Infla-Adjusted Bond	PIMCO Real Return Admin	CREF Inflation-Linked Bond	Amer Cent Infla-Adjusted Bd	Voya GNMA Income	Templeton Global Bond
	Optional	Vanguard Tot Bd Mkt Index	Templeton Global Bond			
Balanced	Traditional	Janus Balanced	Oakmark Equity & Income	Amer Fds Amer Balanced	Amer Fds Amer Balanced	Amer Fds Amer Balanced
	Lifecycle	T Rowe Price Ret 2005, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, Inc	BlackRock LifePath	Amer Cent OneChoice	Amer Cent OneChoice	Voya Index Solution
Large-Cap Stocks	Global			Amer Fds Capital Income Bldr		Janus Balanced
	LC Index	Nuveen Equity Index	Vanguard 500 Index	TIAA-CREF S&P500 Index	SSgA S&P 500 Index	Voya Russell LC Index
Mid-Cap Stocks	LC Value	Am Fds American Mutual	Eaton Vance LCV	CREF Stock	BlackRock Eq Dividend	Pioneer Equity Income
	LC Blend	MFS Mass Investors Growth	American Century Growth	T Rowe Price Institutional LCG	MFS Mass Investors Growth	American Century Growth
Small-Cap Stocks	MC Index	Nuveen MC Index	Vanguard MC Index	Columbia MC Index	Dreyfus MC Index	Voya Russell MC Index
	MC Value	Victory Established Value	Artisan MCV	TIAA-CREF MCV	Ridgeworth MCV	Columbia MCV Opportunities
Int'l	MC Blend	ING Mid Cap Opportunities	Munder MC Core Growth	Jennison MCV	Alliance Bernstein Discovery Gro	VY FMR Divers MC Portfolio
	SC Index	Nuveen SC Index	Vanguard SC Index	TIAA-CREF SC Blend Index	Dreyfus SC Stock Index	Voya Russell SC Index
Global/International	SC Value	Royce Special Equity	American Century SCV	Columbia SCV	Invesco VanKampen SCV	VY Am Cent S-MCV Portfolio
	SC Blend	JP Morgan SCG	Baron SC	Jennison SC	Legg Mason Partners SCG	Invesco SCG
Emerg Mkts	World	Wilshire 5000 Index Portf	Vanguard Total Stock Index	CREF Equity Index	T Ro Price Tot Eq Mkt Index	Vanguard Total Stock Index
	Developed Markets	Am Fds Cap World Gro & Inc	Am Fds Cap World Gro & Inc	MFS Global Equity	Am Fds Cap World Gro & Inc	Am Fds Cap World Gro & Inc
Sector	Emerg Mkts	Amer Fds EuroPacific Gro	Amer Fds EuroPacific Gro	TIAA-CREF Intl Equity Index	Dreyfus Intl Stock Index	Voya International Index
	SOBA	None	Schwab PCRA - \$50/yr	Brk Svcs Pension SDA - \$40/yr	Schwab PCRA - \$50/yr	TD Ameritrade - \$50/yr
Total fee range*		.40%-1.39%	.05%-1.42%	.21% - 1.40%	.22% - 1.33%	.14% - 1.60%

* Fees do not apply to fixed-rate accounts. Fees only apply to variable rate fund investments and are annualized and reflected in your returns. RIC investments have no surrender charges or annual contract fees.

Which provider is best?!

Enrollment

Choosing a provider

All providers meet competitive bid requirements and undergo annual investment reviews.

- Guaranteed rate accounts
- 25+ mutual funds
- Target Date funds
- Investment planning tools
- Investment advisors (some local options)
- Online account access
- Self-Directed Brokerage Option* (not available with Horace Mann)

*\$40 to \$50 annual fee and possible transaction costs.

Enrollment

Choosing a provider



Talk to participating co-workers.



Call the provider or review their website to get a feel for their services.

Utilize the *Investment Provider Interview** to ask a provider questions.

*See Forms & Documents under State Employees on the [RIC Website](#).

Investment Provider Interview		
The following questions may help you gather information and understand the products and services offered by an investment provider. Do not hesitate to ask the provider for more explanation if you are not completely comfortable with the answers.		
Provider: _____ Provider Phone#: _____		
Provider representative: _____ Date: _____		
Services	Advice: Can someone help me determine appropriate investment options?	Notes _____ _____ _____ _____
	Education: What kind of education do you provide about your products and investing?	_____ _____ _____ _____
	Account access: How do I access my account information (internet, telephone VRU)?	_____ _____ _____ _____
		_____ _____ _____ _____

Enrollment

Choose a provider



Decide on an
amount to save



Enrollment

Deduction amount

The HRIS Gross-to-Net Calculator (GN) can help you determine your take-home pay. Access the calculator from your time sheet screen by typing GN in the action header line or ask your PA to assist you.

D3325369		ACTION: GN		GROSS-TO-NET CALCULATOR		PRINTER: 0-00-000	
+----- KEY INFORMATION -----+				+----- CONTROLS INFORMATION -----+			
LAST NAME		PP IN MONTH: 1		FILING STATUS: M			
FIRST NAME		L		+----- DEDUCTION INFORMATION -----+			
SOCIAL SECURITY:		FEDERAL WH.: 001		0.00		109.58	
EMPLOYEE NUMBER:		ID:		STATE WH....: 01 001		0.00	
+----- EARNINGS INFORMATION -----+				OASDI.....: Y		64.94	
ELIG HOURS		EARNINGS		MEDICARE....:		22.42	
REGULAR.....: 80.00		1,569.60		RETIREMENT.:EXMPT N PLAN 1		84.44	
OVERTIME....: 2 0.00		0.00		HEALTH INSC: PLAN UI600		0.00	
HOLIDAY OVT: 2 0.00		0.00		DENTAL INSC: PLAN DI600		23.50	
OTHER PAY...:		0.00		LIFE INSC...: PLAN A2		0.00	
*PAY NOT SUBJ TO RETIRE:		0.00		CR UNION....:		349.92	
FEDERAL TAXABLE:		0.00		CHAR ORG....: 0		0.00	
STATE TAXABLE:		0.00		DEF COMP....:PP 3		50.00	
PRETAX: Y PRETAX DATE: 05/12/2008				DC ROTH:PP 3		50.00	
FED TAX STATUS.: 1				EMP ORG DUE:		0.00	
HOURLY RATE....:		19.62		FSA/HEALTH..:		0.00	
				FSA/DEPC....:		0.00	
ANNUAL GROSS....:		40,809.60		*OTHR DEDUCT:		0.00	
GROSS PAY.....:		1,569.60		NET PAY.....:		751.33	
+-----				+-----			

Enrollment

Choose a provider



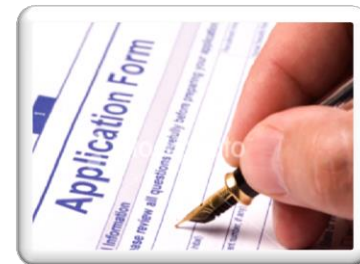
Decide on an amount to save



Choose an investment mix



Complete provider 457/401a account form & RIC Account Form



Payroll deductions begin with the first available paycheck of the month following enrollment.

Enrollment

Pre-Enroll Now!



Or give them a call
today!



Horace Mann

877-602-1861



MassMutual
FINANCIAL GROUP®

800-528-9009



FINANCIAL SERVICES
FOR THE GREATER GOOD®

800-842-2776

VALIC

800-945-6763

VOYA
FINANCIAL™

800-555-1970

See *Providers & Investments* under State Employees on the [RIC Website](#).

Resources

- Review the RIC website. (<http://ric.iowa.gov>)
- Contact us if you need help.
Robbie Stoecker
515-242-6846
robbie.stoecker@iowa.gov
- Get access your account online.
- Call your provider if you have any questions about reviewing your statements.



Thank you for taking your time to listen and
look forward to retirement!



Pre-enroll Now!

Visit the RIC website at <http://ric.iowa.gov>
Robbie Stoecker (RIC Education) | 515-242-6846 | robbie.stoecker@iowa.gov